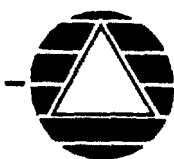


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COMM. F. 93-144

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C.

COMMENTS on Notice of Proposed Rule
Making. Extensive Revisions to 800 MHz
Band SMR Licensing.

) NPRM – PR Docket No. 93-144 and
) PP Docket No. 93-253
)
)
)

COMMENTS

IT IS HEREBY REQUESTED that the following comments be considered
by the Commission with regard to policy making for the 800 MHz. SMR spectrum.

Delta Communications, Inc. is a minority owned small business in
Honolulu, Hawaii. We are the one of a handful of companies offering radio
communications equipment for sale and one of two that actively offer 800 MHz.SMR
services to virtually all the users here. The other is Motorola. For more than a decade and
until recently no other companies offered these services. Other systems have been
constructed but remain purely speculative in nature or ground work for presumed wide
area, networked systems.

Honolulu and consequently the island of Oahu contain the vast majority of
the state's population and businesses. Even today the dispatch communications needs of

the island have been adequately and economically supplied by existing operators.

Recognizing the need for a less expensive alternative, to the two excellent cellular systems in operation, that provides the ease of use and particular advantages of dispatch radio Delta has focused on what is needed and not created a cellular "look alike." To accomplish this on an island with two major mountain ranges requires more than 4 relay sites to even come close to covering the majority of it. Given this diluting of site user capacity due to the spreading out of channels we need access to additional suitable channels to expand the capacity as the loading mounts.

The speculative response to special interest "grandiose" plans has created frequency "grid lock" when shortly before the majority of frequencies in 800 MHz. were still open. Not to mention 900 MHz.. Now the Commission is set to apply sweeping requirements that are severely economically detrimental to the hundreds of small businesses that have pioneered the 800 MHz. spectrum and provided service for years under what was considered by the FCC to be adequate spectrum use efficiency and technology.

We support the unconditional "grandfathering" of all existing 800 MHz. SMR licensees in the 200 "old SMR" channels (between 861 - 866 MHz.). To change the rules and conditions under which a lot of plans, effort and money has been and will be spent over many years and *not* grant it is patently unfair. The FCC should grant this as it historically has in many other instances and services. There is no proof that wide area services proposed for this market are is needed, wanted or viable. Wide area service is not applicable in an island state as each islands' "business ecosystem" remains "self contained" for the most part. Inter-island service is not demanded or we would be already providing it. If we don't find ourselves turning business away; how can it be that offering ten times more service capacity as the MTA developers propose will survive. It is not right that we

should suffer to allow others to run an experiment based on inadequate market research plus “money hungry” politicians greasing the rail.

We oppose any mandatory relocation or settlement rules. This will be disruptive to the existing users. The new service speculators should go to 900 MHz. where few users are in this market. Any displacement should leave us in a potentially better position than before not worse and it should be absolutely voluntary. The FCC has no right to determine what a “reasonable inducement” is in a free market system. The FCC under other federal guidelines must protect the small business and minority business rather than capitulate to the desires of the large MTA licensees. Between the licenses owned and managed by Motorola (far more than Delta) and those of Delta (thirty channel pairs) there cannot be adequate lower channels to allow a move and provide reasonable room for expansion. If the FCC can readily dismiss the act of disrupting the many individual licensees in the 800 Mhz. SMR spectrum nationwide then why can't it be done to other frequencies in the broadcast television spectrum instead. Far fewer people would be affected.

We oppose the assimilation of the lower 80 channels in the General band into MTA systems. This was originally set aside for local licensees who have no need to use or pay for wide area services. They instead use the channels for on property or limited area trunked systems with more efficiency and fewer channels than the old “community” shared use UHF repeaters. Many of these users have need for close in, saturated penetration of building complexes. This requires more signal strength than can be expected from a wide area system whose transmitters may be far away. We support keeping the current plan that has merit rather than a plan with unproven need and suitability for these kinds of users.

We oppose the concept of using a broad “market defined” method of licensing in spectrum that has already been determined as most useful to expand situationally demanded communication systems. Individual licensing of transmitters based on defined need has worked well and has maximized use for those who have perceived a need and sought it out as a solution. Tying up vast quantities of frequencies over an area without a perceived need is no different than the great waste of spectrum on television programming that is better distributed through cable or fiber optics where parents can exercise better control over what their kids are exposed to.

We believe the FCC should continue the present frequency use and method of licensing. Adopting auctions will unfairly remove spectrum that was available here and was relied upon for future expansion. Significant resources have been expended and plans to improve service have been thwarted by the current proceeding (license freeze). Had we known that the rules would be arbitrarily changed in the middle of the game we could have raised our rates significantly years ago to generate the funds necessary to even contemplate bidding on spectrum against the large MTA licensees.

The idea that bidding credits or installment payments can level the field is a gross assumption. It is impossible for a truly small business to get the funding needed (and remain a small business) unless the owners are already independently wealthy or the company can quickly profit from the expanded facilities to pay for the licensee fees. We submit that the mostly independent small business SMR operators are not wealthy and cannot create the revenue from operations over night (due to the abrupt and unanticipated changing of revenue needed) to pay the levels of licensee fees that appear certain. Previous rounds of nationwide and narrowband auctions has demonstrated a high default rate on winning high bids. Unless the records prove that they grossly overbid most of the other

bidders they therefore could not have successfully bid and paid for the license and maintain a viable business while charging what the market would bear.

If the FCC is looking to create a service that has not identified a need in many markets, cause the expense to users to rise precipitously for additional services they don't want and drive the current suppliers of economical, user demanded and designed services out of business just disregard our concerns. The same can be said for requiring "enhanced 911" features from SMR's which we will address in comments on that NPRM.

We find we must defend the earlier "good planning" against the "make money at any cost" plan to keep ourselves in business. Thank you for your consideration of our concerns.